

**LATIN AMERICA AND THE CARIBBEAN
REGIONAL PROGRAM**

FY 2002 ANNUAL REPORT

MARCH 4, 2002

The attached results information is from the FY 2002 Annual Report for the Latin America and the Caribbean (LAC) Regional Program and was assembled and analyzed by USAID/LAC/Office of Regional Sustainable Development.

The Annual Report is a "pre-decisional" USAID document and does not reflect results of USAID budgetary reviews. Additional information on the attached can be obtained from Cecily Mango, LAC/RSD.

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Please Note:

The attached RESULTS INFORMATION is from the FY 2002 Annual report, and was assembled and analyzed by the country or USAID operating unit identified on the cover page.

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Annual Report Part III: Performance Narrative

A. Challenges

Despite improvements in the economic and social well-being of people living in Latin America and the Caribbean (LAC), the region continues to face numerous development challenges. Insufficient economic growth rates, extensive poverty and skewed income distribution increasingly undermine the stability of the LAC region. Students from the LAC region are not prepared to contribute to the workforce demands of a competitive global economy. While the trend toward consolidating democracy in LAC remains generally positive and efforts to strengthen judicial systems and local governments are paying off, disillusionment is high with governments that are unable to reduce poverty, corruption and violence. The health sector has achieved many successes in vaccination coverage and eliminating or reducing major childhood illnesses; however, the Caribbean has the second highest rate of HIV/AIDS in the world, maternal mortality rates have not been significantly reduced, and malaria and other infectious diseases are increasing resistance to treatment therapies. Further, the environment in LAC countries continues to suffer from severe degradation and the rates of degradation are accelerating. The negative effects of this environmental crisis include increased vulnerability to disasters, rising conflict over natural resources and reduced economic opportunities and growth.

The Summit of the Americas continues to influence the focus of the LAC Regional program. USAID has taken a lead role for initiatives related to local government and property registration and has been active in shaping the agenda across other sectors. Since the April 2001 Quebec Summit, USAID has participated in the inter-agency coordination process and has pursued initiatives in trade and investment, anti-corruption, education, health and telecommunications. LAC Regional programs concentrate on deepening democracy, assisting sub-regional trading blocs in the Free Trade Area of the Americas (FTAA) process, improving the institutional infrastructure to help the poor access markets, promoting educational reform, training potential leaders, improving regional health policies and services, improving the environmental performance of targeted LAC businesses and communities, conserving the region's biological resources, and advancing development cooperation opportunities in the hemisphere. New Strategic Objectives (SOs) in several of the above program areas were recently approved and other ongoing objectives are being modified to continue regional efforts to help address the enormous challenges facing the LAC region.

B. Program Performance

598-002: Improved Human Resource Policies Adopted in Selected LAC Countries

Performance under this SO met expectations this year as LAC-supported policy reform activities are helping to propel education reform to the top of the region's policy agenda. Research carried out by LAC's flagship education activity, Partnership for Educational Revitalization in the Americas (PREAL), demonstrates that governments in some LAC countries are finally beginning to increase public investments for pre-primary and primary education. For Central America and Mexico, such investments increased from 1.8 to two percent from 1995 to 1997, though this level is still far below the five percent recommended by PREAL's Task Force for Central America. At this year's Summit of the Americas, President Bush also announced the creation of three Centers of Excellence for Teacher Training within existing Latin American educational institutions. This new Presidential initiative reflects the strong regional consensus to improve the quality of education.

Despite the growing consensus in policy circles that Latin American public education systems are in crisis, such discussions have not reached down to grass-roots stakeholders (e.g. parents and communities) and thus have failed to generate the level of public demand that is necessary to bring about change. To address this challenge and complement existing high-level policy initiatives on which PREAL focuses, LAC is designing a new activity to expand the education reform dialogue to include community-level stakeholders.

The beneficiaries of all these activities are the students, parents, teachers, school administrators and employers who depend upon public school systems.

Achievements:

Policy reform: During the past year, PREAL published its first “Report Card on Education in Latin America,” a major step forward in efforts to mobilize reform around specific challenges facing the region’s education systems and increase the accountability of education systems. The “report card” for the first time equips the public, as well as those who use schools (parents, employers and students) with information about how their schools compare with others in the region. The report also offers stakeholders and leaders beyond the education sector independent, reliable information about four key steps that countries must take to address the key challenges facing the region’s education systems: 1) set standards for the education system and measure progress toward meeting them; 2) give schools and local communities more control over and responsibility for education; 3) strengthen the teaching profession by raising salaries, reforming training, and making teachers more accountable to the communities they serve; and 4) invest more money per student in pre-school, primary and secondary education.

Regional Education Indicators: UNESCO’s regional indicators project, a Santiago Summit of the Americas initiative that received LAC support, also helped advance efforts to enhance accountability by forging regional agreement on an international standard classification of education indicators. This represents a first step toward the construction and adoption of comparable region-wide educational standards and assessment indicators that governments participating in the Summit of the Americas have agreed are essential to enhance the accountability and quality of education systems.

Changes to SO: All activities except the UNESCO indicators project have ended; the UNESCO project ends September 30, 2002. In the future, regional education activities will be reported under SO 598-023.

598-003: More Effective Delivery of Selected Health Services and Policy Interventions

This health SO met its performance targets overall. The health sector reform initiative significantly exceeded its targets; the integrated management of childhood illness (IMCI) and anti-microbial resistance (AMR) initiatives met their targets; but the maternal mortality and vaccination initiatives fell short. Most of the vaccination indicators, and many of the maternal mortality ones, fail to capture the progress of the initiative because they are considerably beyond the manageable interest of a regional initiative that does not fund in-country implementation. Such changes will be made as part of the planning for future efforts.

The beneficiaries of this SO are the Ministries of Health that set policy and standards for care, and other organizations that provide health care in the target countries that gain improved knowledge and skills in setting policy and providing care. This ultimately benefits vulnerable populations that receive more appropriate, better quality, and higher volume of health care services, such as mothers now giving birth with medically-skilled attendants.

Achievements:

Infant and Child Mortality: Infant and child mortality will be reduced in the hemisphere as a result of the surveillance and assessment systems of the vaccination initiative established and maintained by the Pan American Health Organization (PAHO). These systems detected measles outbreaks during 2001 in the Dominican Republic and Haiti and the potential for an outbreak in Guatemala. The PAHO Director responded by meeting with the presidents of Haiti and the Dominican Republic to ensure action to control the outbreaks. Using a methodology developed under this initiative, PAHO helped Guatemala assess its vulnerability and convened a meeting of the country interagency coordinating committee to address the findings. As a result, all three countries have conducted national measles vaccination campaigns to supplement ongoing vaccination efforts. In addition, Haiti and the Dominican Republic formed a task force to address measles, creating a much-needed mechanism for improved communication between these two countries with measles transmission in LAC. The IMCI initiative developed and field-tested two

tools that will enable Ministry of Health leaders to make data-based decisions to expand IMCI country-wide. A costing tool was field tested in Honduras, which will enhance budget projections. A method for quickly reviewing the necessary components for country-wide implementation of IMCI was also field-tested in Honduras, adjusted based on findings, and is now available for use in the Americas to identify IMCI program strengths, weaknesses, and readiness to go to scale nationally.

Maternal Mortality: This initiative tested linking improved service delivery with community mobilization in pilot districts as a means to increase skilled attendance at birth. Health facility staff implemented changes in service to improve quality. Communities were assisted to understand birth complications and the importance of skilled birth attendance, and to develop emergency action plans. During FY 2001, 94% of communities in pilot areas of Ecuador had emergency access plans for obstetrical complications, 29% had revolving funds for emergency transport, and complicated deliveries attended in health facilities rose from 43% in 2000 to 73%. In Honduras, 50% of pilot communities had both emergency plans and revolving funds, and health facilities attended at 65% of complicated deliveries.

Infectious Disease: National laboratories in six target countries were fully integrated into the regional surveillance network and a supranational quality control system. An expert committee drafted regional guidelines for the appropriate use of anti-microbial drugs in clinical settings. Training materials for pharmacy and therapeutics committees were adapted for the LAC region, and translated into Spanish. Further, researchers in four countries prepared TB drug resistance study protocols for local conditions. These studies will be critical to improving effectiveness of TB programs in the region.

Changes to SO: This SO is being extended by up to two years to help ensure a smooth transition of activities being transferred to the Global Health Bureau. Child and maternal health activities will be modified to respond to challenges such as the introduction of new vaccines and combinations, nationwide expansion of IMCI coverage, and replication of pilot programs for improving maternal health outcomes—all in the context of decentralization. Family planning activities will be phased out. The AMR initiative will support additional TB activities, with attention to approaches to improve TB control performance measures.

598-004: Protection of Selected LAC Parks and Reserves Important to Conserve the Hemisphere's Biological Diversity

Overall this SO did not meet planned targets this past year. The largest program under the SO is the Parks in Peril (PiP) program, a partnership among USAID, The Nature Conservancy, local non-governmental organizations and local government agencies that ensures the protection of up to 37 critically-threatened LAC national parks and reserves of global significance. Because implementation at some PiP sites began later than expected and some PiP implementing partners changed, the PiP program has been granted a no-cost extension through FY 2002. End-of-SO targets are expected to be met by September 2002.

The primary beneficiaries of PiP activities are local rural people who depend on the sustainable use of natural resources in and around LAC protected areas and who gain economically from park employment, community development and ecotourism activities. Other beneficiaries are citizens of all countries who gain from the protection of the planet's natural capital, genetic resources and ecological services such as watershed protection and carbon sequestration.

Achievements:

Protected Areas: PiP has strengthened the local capacity for conserving biodiversity and managing site protection efforts in 15 countries, turning 37 “paper parks” into functioning protected areas. The size of LAC protected areas increased by more than three million acres over the past year to a total of 28.5 million acres in the 37 PiP sites. Twenty-one of these sites are now sufficiently protected that intensive USAID funding is no longer necessary.

Leveraging Resources: TNC and PiP partners have developed a diversity of innovative sources of funding and have leveraged \$292 million over the life of the program to support conservation throughout LAC.

Capacity Building: The institutional, administrative and management capacity of three additional NGO partners was strengthened, bringing the total to over 28 NGOs that are better able to ensure sustainable long-term management of parks and reserves. Countless other partners have been trained and strengthened through collaborative planning exercises and targeted training provided by TNC or PiP partners.

Policy Change: Significant progress was made in identifying and changing national and local policies to support conservation, including approval of user-fee systems to support site conservation; elimination of mining activities; and creation of fishing seasons to preserve marine species.

Tools and Methodologies: Based on partner experiences, a number of cutting-edge tools and methodologies were developed to guide, focus, and support site conservation. In sites where PiP has no presence, PiP tools and methodologies were leveraged to the system level to improve conservation through national systems of protected areas. Successes include adoption of the PiP Site Consolidation Scorecard by the national protected areas system of Ecuador and Bolivia, as well as the parks of Chiapas, Mexico; use of TNC's site financial planning methodology by the *Instituto Nacional de Recursos Naturales* of Peru for all the country's federal protected areas; and the Government of Bolivia's use of PiP's work with park user fees as a model for all its protected areas.

Changes to SO: This SO ends in September 2002. Future LAC Regional activities aimed at conserving the regions biological resources will be reported under SO 598-022.

598-005: Reinforcement of Regional Trends that Deepen Democracy

All performance targets under the SO were exceeded, including targets for goals in support of the Summit of the Americas Plan of Action. LAC/RSD used a complementary two-track approach to provide assistance, maximizing synergies with other regional and bilateral programs and ensuring coordination with other donors. One track strengthens democratic institutions and processes enabling governments to better respond to citizens needs. The second supports civil society efforts to develop their capacities to aggregate and represent citizens' views and concerns and to work with their governments to address citizens needs.

The primary beneficiaries are the citizens of the countries in the region, who will benefit from enhanced accountability in government institutions, improved observance of human rights and increased participation in political decision-making.

Human Rights and Justice: Through the Inter-American Institute of Human Rights (IIDH), USAID supported regional networks of human rights experts and organizations, which enabled IIDH to help secure the support of key Organization of American States (OAS) countries for the Democracy Charter, signed in September 2001. The Charter commits OAS states to mutual action should there be a failure of democracy in the region. The Justice Studies Center of the Americas, launched a new project to assess countries' progress in justice reform and established an electronic clearinghouse on justice reform resources earlier than planned, exceeding targets for this Summit initiative. USAID supported an OAS Commission of Women study on trafficking of women and children for sexual exploitation to inform national plans of action on this theme. These efforts were complemented by an extension of the ICITAP program in five countries to further professionalize civilian police departments, including the expansion of community-based policing techniques that have proven highly successful in restoring community confidence in the police and helping contain and reduce high local crime and violence rates.

Democratic Governance: USAID also achieved considerable success helping improve democratic governance in the public sector. Through CAPEL as a neutral source of electoral expertise, USAID provided assistance to electoral commissions in Nicaragua and Peru that contributed in outcomes

considered free and fair. USAID's anti-corruption program utilized Respondanet, the most-visited anti-corruption website on the Internet, and video conferencing to provide technical assistance and disseminate information and best practices to local governments, professional associations and NGOs. Responding to the demand among mayors for better communications with citizens, the LAC Regional program helped develop electronic training tools on participatory municipal management practices. Improved capacity of two regional federations of local government associations exceeded targets, as seen in their assistance to a growing number of small and medium municipalities both to address citizens' concerns about crime and violence and, at no additional cost, access training and technical assistance in new areas via new internet connections.

Civil Society: The Inter-American Democracy Network (IADN), which now includes over 206 civil society organizations (CSO) from 22 countries, had significant impact on increasing citizen participation and exceeded the network target of 180 CSOs. They collaborated with government institutions to develop and improve local initiatives, engaged in citizen oversight activities and led advocacy efforts to build public awareness and participation. The IADN signed 21 "international partnerships" in 13 countries, adapting proven methodologies in local government decision-making and oversight that should lead to better government service delivery and stronger civil society. Under one partnership, *Poder Ciudadano* from Argentina formed alliances with community service organizations in Mexico, Peru and Bolivia to adapt best practices to influence decision-makers and solve local problems. The IADN also developed platforms and opportunities for its member organizations to influence decision-makers and present civil society views in the international arena including the consultative process for the Democracy Charter, the Anti-Corruption Convention and the Free Trade Agreement of the Americas. The IADN also assisted the World Bank to include civil society in its project design process and helped the Inter-American Development Bank (IDB) advance its consultations with civil society sectors.

Changes to SO: None.

598-006: A Broad Base of Leaders and Potential Leaders in LAC Countries Equipped with Technical Skills, Training and Academic Education

Overall, the Special Objective (SpO) met planned targets in FY 2001. The Cooperative Association of States Scholarships (CASS) continues to support training in high-demand sectors such as business (e.g. agribusiness, small business management, quality control and industrial maintenance administration); environmental management (e.g. forestry and fisheries management); primary school education (for teachers and school administrators) that includes education for people with disabilities; and public health (e.g. food safety, vector control and medical laboratory technology). It has a comprehensive package of orientation and cross-cultural support that includes pre-departure programs on life in the U.S. and re-entry programs to help trainees readjust to life in their countries and find professional jobs in their fields of study.

CASS beneficiaries include socio-economically disadvantaged youth who have demonstrated leadership potential in both their communities and their places of employment, many of whom are the first member of their families to attend a post-secondary institution.

Achievements:

Of the 260 socio-economically disadvantaged youth who completed one- and two-year training in 2001, 98% completed their studies and 99% returned home. This high completion and return rate is impressive, particularly given the students' disadvantaged backgrounds and that the majority speak little or no English upon their arrival to the U.S. CASS also measures its effectiveness through follow-up employment surveys to determine how many CASS graduates are employed and of those, how many in their fields of study. The 2001 employment survey showed that 90% of two-year alumni were employed and 68% within their field of study, with figures being fairly consistent for men and women.

CASS continues to serve as a flexible program that responds to the needs of its students. Realizing that many of its students do not have access to quality secondary education to prepare them for a college

degree program, CASS is de-emphasizing formal degrees and focusing on certificate programs in pre-determined fields of study. Such flexibility was demonstrated this year when CASS realized that Haitian teachers could not be away from their classrooms for more than six months. As a result, CASS developed a special six-month training program for these teachers.

Changes to SO: FY 2002 is the last year of funding for the current Cooperative Agreement for the CASS program. Any further program will be managed by the EGAT Bureau.

598-016: Hurricane Reconstruction Assistance Provided

In FY 2001, the program achieved the reconstruction services planned in accordance with host country requests, thus meeting performance targets. The program operates through six U.S. agencies--U.S. Department of Agriculture (USDA), U.S. Geological Survey (USGS), National Oceanic and Atmospheric Administration (NOAA), Federal Emergency Management Agency (FEMA), Environmental Protection Agency (EPA) and Centers for Disease Control (CDC); two non-governmental organizations--United Methodist Committee on Relief and Partners of the Americas; and one international organization--the Pan American Health Organization. Among the services included are epidemiology, water quality control, watershed rehabilitation, food security, flood control and forecasting systems, risk mapping, national disaster agency strengthening, housing, and community disaster mitigation training.

Countries benefiting from the services were Honduras, Nicaragua, El Salvador, Guatemala, and Costa Rica in Central America; and the Dominican Republic, Haiti, the Eastern Caribbean islands, and the Bahamas in the Caribbean.

Achievements:

Flood Prevention: During FY 2001, the most significant achievement of the NOAA and USGS flood control and forecasting systems (that represent close to 50% of the program's funds) was the prevention of flooding in the delta area of the Lower Lempa River in El Salvador during Hurricane Keith in October 2000. This area is historically flooded during the rainy season. During Hurricane Mitch, the area experienced the worst flooding in the country. During Keith, the operators of the major hydroelectric dam upstream from the delta were provided sufficient advance warning of anticipated river flows from the newly installed satellite-based river gauges that they were able to program the release of water early enough to avoid flooding of the delta region. With FEMA's support, the national disaster management agencies in Guatemala and Honduras significantly increased their capabilities as well as secured greater host government financial support. The increased Honduras capability was demonstrated when Hurricane Michelle struck in October 2001, with the same ferocity as Mitch, but this time the government was able to provide adequate evacuation warning to 25,000 people with very few lives lost.

Other Achievements: Examples of other achievements included CDC epidemiology trainees in the Dominican Republic identifying and containing an outbreak of polio and in El Salvador responding immediately after the earthquakes in assessing casualty rates in order to better focus relief efforts. In Honduras, the USDA established the first food safety unit in the Ministry of Agriculture resulting in the first shipment of local cheese to the United States. In Nicaragua, USDA's projects to rehabilitate damaged agricultural land, repair irrigation systems, reforest areas, repair damaged streambanks, and restore rural water crossings in damaged watersheds covered 114 sites in 22 municipalities, benefiting over 12,000 families. The EPA provided laboratory equipment and training to Central American countries in monitoring water quality after disasters.

Changes to SO: None. The SpO ends as of 9/30/02.

598-017: Institutional Infrastructure Improved to Support Access of the Poor to Markets (Property, Financial and Product)

Performance under this SO met expectations this year. The deepening response of Central America countries and the donor community that works with them to the LAC Regional initiative to promote the

implementation of the Summit of the Americas initiative on improving property registration systems is illustrative of progress. Outreach to Caribbean and South American countries is building momentum as well. Activities promoting the adoption of new technologies and best practices (such as installing certification systems for higher-value products and the use of information and communications technologies to provide greater market access to small farmers and entrepreneurs) offer successful examples that will be brought into expanding efforts to promote prosperity in rural areas of Latin America. The LAC Regional program is also leading the efforts to find innovations that will expand the reach of financial markets for the working poor. Regional microenterprise institutions are conducting research, convening workshops, undertaking pilot projects and disseminating the lessons learned to affiliated institutions.

The beneficiaries are the individuals and micro, small and medium enterprises who gain improved access to market opportunity as barriers to their participation are reduced.

Achievements:

Property Markets: The LAC Regional program successfully advocated for the inclusion of a new mandate on property registration in the 2001 Quebec Summit of the Americas thereby focussing donor and host country attention on the importance of property registration and land markets in conflict prevention and poverty alleviation. Efforts by USAID also led to a donor consultative meeting at which lessons learned in land policy and land administration generated consensus on several key issues and identified topics for further debate. USAID supported an initiative to focus attention on and develop a framework for addressing tensions over land as a cause of potential conflict. A capacity-building network was established for the quality and sustainability of land administration in Central America that will have public and private participation.

Financial Markets: A pilot activity introducing the use of hand-held computers to automate operations, reduce costs and increase efficiency of micro-finance institutions (MFIs) was expanded to three additional LAC countries. Two other innovations currently being tested are credit scoring and new products (e.g., establishing lines of credit for micro-customers). USAID also supported the expansion of an institutional rating service for MFIs that should significantly increase the flow of commercial funds for microenterprise. Finally, to achieve improved supervision and regulation of lending institutions, especially those that offer savings services, USAID supported a series of workshops that brought together bank supervisors from all over South America to compare policies and regulatory frameworks.

Changes to the SO: Resulting from Agency reorganization decisions, some SO activities will be transferred to the EGAT Bureau. No other major changes are anticipated; however, activities geared toward the channeling of remittances to the region (e.g., practices that lower costs of transactions) will be added.

598-018: Environmental Performance of Targeted LAC Businesses and Communities Improved Through the Promotion of Replicable Market-based Models

In FY 2001, the program met expectations towards improving the environmental performance of targeted LAC businesses and communities by promoting several models for environmental management, including financial models for industrial clean production in the Andean countries and an approach for improving sanitation in small towns. The U.S.-Latin America and the Caribbean Environment Program (U.S.-LACEP) promotes the win-win approach to enterprise and market competitiveness through programs such as certified forestry, cleaner production, and hotel environment management systems.

Direct beneficiaries of the program are the businesses and communities receiving support and technical assistance from the implementing partners.

Achievements:

Trade and Environment: U.S.-LACEP continued to support hemispheric dialogue on trade-environment issues by hosting a technical meeting in Argentina that convened public and private sector representatives to gain a deeper understanding of the region's needs in this area. U.S.-LACEP also recently launched a program with the Organization of American States, the World Resources Institute and the North-South Center to facilitate analysis and dialogue on trade-related challenges and opportunities in the region.

Forestry: U.S.-LACEP launched a program in Central America with the World Wildlife Fund to develop a network of producers to enhance linkages between international markets and producers of certified forest products. Also, the preliminary findings and recommendations of an assessment of USAID-supported natural forest management programs in seven LAC countries were presented at a workshop in Bolivia attended by over 70 participants from 12 Latin American and Caribbean countries, including representatives from host country governments, industry, non-governmental organizations, and USAID officers. The assessment is being distributed widely to governments and industry in the region.

Cleaner Production: U.S.-LACEP demonstrated the business/trade benefits of industrial cleaner production, introduced cleaner production policy frameworks, increased industry demand for cleaner production technologies, and enhanced government commitment to cleaner production. As examples, the program: 1) leveraged \$1.4 million from the IDB to support Clean Production Policy Framework in Panama; and 2) secured commitment from the World Bank to support Bolivia's Clean Production Center for \$600,000 in 2002, and the Swedish and Swiss donor agencies to contribute more funding to Bolivia's Center.

Water and Sanitation: In FY 2001 and building on previous work on the decentralization of water supply and sanitation services in LAC, U.S.-LACEP developed a participatory field methodology for improving sanitation in small towns to serve as the basis for three pilot studies to be implemented in FY 2002. Host governments and the IDB have responded positively to the methodology and will consider adopting it as part of their efforts.

Changes to SO: As a result of Agency reorganization decisions, the SO will be transferred to the EGAT Bureau.

598-019 Continued Participation of LAC Sub-regional Trading Blocs in the FTAA Process Achieved

With other USAID programs directly targeting FTAA-related technical assistance needs of Central American and Caribbean countries, in FY 2001 the LAC Regional program began to refocus its primary attention and support for trade capacity building on meeting the needs of South America's smaller economy countries. The program was successful in meeting its objective by expanding opportunities for countries throughout South America to gain access to technical assistance that is vital for participation in the FTAA.

The beneficiaries are the LAC smaller economy countries. Micro, small and medium-sized producers will benefit indirectly through increased market openness or increased opportunities for employment as a result of an improved environment for foreign investment.

Achievements:

A working relationship was established with the cognizant trade representatives from five Andean Community (CAN) countries by partnering with the CAN General Secretariat; developing a prioritized list of FTAA-related technical assistance needs; and putting into place technical assistance support in two areas. First, an agricultural health program was initiated under a USAID/USDA agreement to provide technical assistance on the World Trade Organization Sanitary and Phytosanitary Agreement. Training in food safety risk assessment and management was completed for agricultural officials in Bolivia and Colombia. Second, building on technical assistance this program provided to Mercosur countries, the competition policy program was expanded to include the Andean countries. This program, implemented

by the Federal Trade Commission and Department of Justice, completed a series of workshops for the Mercosur countries on specific issues, such as abuse of dominance and anti-monopoly policy. The strong demand for competition policy assistance in the Andean countries was illustrated by the Government of Bolivia funding several officials to attend the last workshop of the Mercosur competition policy program. Further, USAID worked with several USG agencies, including USTR, to build consensus for an OAS proposal to conduct an assessment of government procurement technical assistance needs in the CAN countries. USAID also provided support for a Chilean NGO to play a catalytic role in significantly expanding the participation of LAC-based civil society organizations in the FTAA process. Finally, USAID worked with the CAN countries, USTR, and the State Department to develop a civil society activity specifically for the Andean region.

Changes to SO: The SO is being extended by up to two years to continue assistance to CAN countries in trade capacity building pending the transfer of the program to the field.

598-021: Advancing Development Cooperation Opportunities in the Hemisphere (ADCOH)

Performance under this objective met planned targets. ADCOH provides the LAC Bureau with the necessary flexibility to respond to special development opportunities, foreign policy issues, and initiatives not covered by LAC Bureau strategic objectives. Technical and training assistance supports: a) innovative approaches to promoting cooperation among regional partners; b) organizational strengthening efforts to improve the regional capacity to carry out development efforts; c) special initiatives that respond to foreign policy issues but do not fall under an approved strategic plan; and d) organizations with the objective of expanding the USAID network of partners working on development problems in LAC.

Achievements:

Third Country Training and Technical Cooperation (TTCP): Results achieved from the TTCP program in Mexico contributed to strengthening Mexico's capacity to offer quality training and technical cooperation to third countries (primarily in Central America). TTCP programs were successfully carried out in reproductive health, pension system reform, environmental disaster mitigation and preparedness, and efficient and renewable energy.

International Development Partnerships (IDP): The IDP program provided assistance to Historically Black Colleges and Universities and supported a series of workshops concerning renewable energy; strengthened the University of Guyana's capacity to function as an active and effective agent in conflict resolution and management; and strengthened the capacity of the University of Amazonas to deliver culturally acceptable HIV/AIDS prevention education.

Changes to SO: None.

598-022: Improved Conservation of the Region's Biological Resources

Implementation of this new SO began late in FY 2001; therefore, there are no performance results to report. Following on the highly successful Parks in Peril program under the earlier LAC Regional SO (Protection of Selected LAC Parks and Reserves Important to Conserve the Hemisphere's Biological Diversity), this new SO will further improve the conservation of the LAC region's biological resources. Results will be achieved through: (1) increased conservation capacity at selected sites; (2) strengthened local and national partners for improved conservation; (3) strengthened targeted regional conservation initiatives; and (4) innovative conservation financing mechanisms tested and adopted. The SO will provide funds for continuing the Parks in Peril program, regional environmental advisors, and workshops and special studies.

The primary beneficiaries are local rural people who depend on the sustainable use of natural resources in and around LAC protected areas and who gain economically from park employment, community development and ecotourism activities. Other beneficiaries are citizens of all countries who gain from the

protection of the planet's natural capital, genetic resources and ecological services such as watershed protection and carbon sequestration.

Achievements:

Implementation of this new SO is proceeding smoothly. Its performance will be reported upon in subsequent Annual Reports.

Changes to SO: None.

598-023: Strengthened Regional Initiatives to Improve Equity and Quality in Education and Training

Since implementation of this SO began late in September 2001, there are no performance results to report. Building on the accomplishments of the earlier LAC Regional SO (Improved Human Resource Policies Adopted in Selected LAC Countries--598-002) this new objective is continuing to support the Partnership for Educational Revitalization in the Americas (PREAL) that is focusing more intensely on Central America, the region with the most serious education problems. PREAL will more seriously engage the support of business leaders in reform and deepen its focus in selected countries to encourage that its recommendations get put into practice. The SO also supports other regional initiatives, including the strengthening of three teacher training and resource centers in the Caribbean, Central America and the Andean region of South America (part of a recent Presidential Initiative announced at the latest Summit in Canada). A secondary education regional forum will promote quality and workplace-relevant secondary education throughout the region, and efforts will continue in the development of comparable national education indicators for the region. Regional dialogue on reform will be expanded beyond the high-level circles focused upon by PREAL, to various stakeholders of education and larger civil society including parents, students, teachers, unions, school administrators, and local/regional government.

The beneficiaries of all these activities are the students, parents, teachers, school administrators and employers who depend upon public school systems.

Achievements:

All performance is discussed under 598-002, the predecessor to this new SO.

Changes to SO: Although approved as part of this SO beginning in FY 2003, CASS will be transferred to the EGAT Bureau. Remaining activities aimed at addressing problems in secondary education will shift to the Intermediate Result on education policy reform.

Annual Report Part IV: Performance Tables

Table 1: Annual Report Selected Performance Measures

Indicator (all data should pertain to FY or CY 01)		OU Response			Fund Account	Data Quality Factors
Pillar I: Global Development Alliance: GDA serves as a catalyst to mobilize the ideas, efforts, and resources of the private sector, corporate America and non-governmental organizations in support of shared objectives						
1	Did your operating unit achieve a significant result working in alliance with the private sector or NGOs?	Yes x	No	N/A		achieved through 598-002 and 598-006
2	a. How many alliances did you implement in 2001? (list partners) b. How many alliances do you plan to implement in FY 2002?					598-023 is designing Centers of Excellence for Teacher Training with strong private sector focus
3	What amount of funds has been leveraged by the alliances in relationship to USAID's contribution?					598-023 Centers of Excellence for Teacher Training under design are expected to yield up to \$20 million in private sector matching funds
Pillar II: Economic Growth, Agriculture and Trade: USAID works to improve country economic performance using five approaches: (1) liberalizing markets, (2) improving agriculture, (3) supporting microenterprise, (4) ensuring primary education, and (5) protecting the environment and improving energy efficiency.						
4	If you have a Strategic Objective or Objectives linked to the EGAT pillar, did it/they exceed, meet, or not meet its/their targets?	Exceed	Met x	Not Met		
USAID Objective 1: Critical, private markets expanded and strengthened						
5	Did your program achieve a significant result in the past year that is likely to contribute to this objective?	Yes x	No	N/A		
USAID Objective 2: More rapid and enhanced agricultural development and food security encouraged						
6	Did your program achieve a significant result in the past year that is likely to contribute to this objective?	Yes x	No	N/A		
USAID Objective 3: Access to economic opportunity for the rural and urban poor expanded and made more equitable						
7	Did your program achieve a significant result in the past year that is likely to contribute to this objective?	Yes x	No	N/A		

Indicator (all data should pertain to FY or CY 01)		OU Response			Fund Account	Data Quality Factors
USAID Objective 4: Access to quality basic education for under-served populations, especially for girls and women, expanded						
8	Did your program achieve a significant result in the past year that is likely to contribute to this objective?	Yes x	No	N/A		
9	a. Number of children enrolled in primary schools affected by USAID basic education programs (2001 actual)	Male	Female	Total		598-002 and 598-023 both address the education sector through reform rather than directly through delivery of basic education services; 598-006 is a scholarship program that includes training for disadvantaged youth to become teachers
	b. Number of children enrolled in primary schools affected by USAID basic education programs (2002 target)					
USAID Objective 5: World's environment protected						
10	Did your program achieve a significant result in the past year that is likely to contribute to this objective?	Yes x	No	N/A		achieved through 598-004; 598-022 is a new SO and may report on this upon development of its results framework
11	a. Hectares under Approved Management Plans (2001 actual)				1,590,379 cumulative	achieved through 598-004
	b. Hectares under Approved Management Plans (2002 target)				program closing out	598-004 is closing out
Pillar III: Global Health: USAID works to: (1) stabilize population, (2) improve child health, (3) improve maternal health, (4) address the HIV/AIDS epidemic, and (5) reduce the threat of other infectious diseases.						
12	If you have a Strategic Objective or Objectives linked to the Global Health pillar, did it/they exceed, meet, or not meet its/their targets?	Exceed	Met x	Not Met		
USAID Objective 1: Reducing the number of unintended pregnancies						
13	Did your program achieve a significant result in the past year that is likely to contribute to this objective?	Yes	No x	N/A		
USAID Objective 2: Reducing infant and child mortality						
14	Did your program achieve a significant result in the past year that is likely to contribute to this objective?	Yes x	No	N/A		

Indicator (all data should pertain to FY or CY 01)	OU Response			Fund Account	Data Quality Factors
USAID Objective 3: Reducing deaths and adverse health outcomes to women as a result of pregnancy and childbirth					
15 Did your program achieve a significant result in the past year that is likely to contribute to this objective?	Yes X	No	N/A		
USAID Objective 4: Reducing the HIV transmission rate and the impact of HIV/AIDS pandemic in developing countries					
16 Did your program achieve a significant result in the past year that is likely to contribute to this objective?	Yes	No X	N/A		
USAID Objective 5: Reducing the threat of infectious diseases of major public health importance					
17 Did your program achieve a significant result in the past year that is likely to contribute to this objective?	Yes X	No	N/A		
Pillar IV: Democracy, Conflict and Humanitarian Assistance					
18 If you have a Strategic Objective or Objectives linked to the Democracy, Conflict and Humanitarian Assistance Pillar, did it/they exceed, meet, or not meet its/their targets?	Exceed	Met x	Not Met		
USAID Objective 1: Rule of law and respect for human rights of women as well as men strengthened					
19 Did your program achieve a significant result in the past year that is likely to contribute to this objective?	Yes	No	N/A x		
USAID Objective 2: Credible and competitive political processes encouraged					
20 Did your program achieve a significant result in the past year that is likely to contribute to this objective?	Yes x	No	N/A		598-006: yes-much of PREAL's work focuses on providing civil society with critical information needed to encourage governments to make critical improvements to public education
21 Did your program achieve a significant result in the past year that is likely to contribute to this objective?	Yes x	No	N/A		
USAID Objective 4: More transparent and accountable government institutions encouraged					
22 Did your program achieve a significant result in the past year that is likely to contribute to this objective?	Yes x	No	N/A		

Indicator (all data should pertain to FY or CY 01)	OU Response			Fund Account	Data Quality Factors
USAID Objective 5: Conflict					
23 Did your program in a pre-conflict situation achieve a significant result in the past year that is likely to contribute to this objective?	Yes x	No	N/A x		
24 Did your program in a post-conflict situation achieve a significant result in the past year that is likely to contribute to this objective?	Yes x	No	N/A		
25 Number of refugees and internally displaced persons assisted by USAID	Male	Female	Total		
USAID Objective 6: Humanitarian assistance following natural or other disasters					
26 Did your program achieve a significant result in the past year that is likely to contribute to this objective?	Yes x	No	N/A		
27 Number of beneficiaries					Final report not yet available

Table 2: Selected Performance Measures for Other Reporting Purposes

The information in this table will be used to provide data for standard USAID reporting requirements

Indicator (all data should pertain to FY or CY 01)		OU Response			Fund Account	Data Quality Factors
Child Survival Report						
Global Health Objective 1: Reducing the number of unintended pregnancies						
1	Percentage of in-union women age 15-49 using, or whose partner is using, a modern method of contraception at the time of the survey. (DHS/RHS)					
Global Health Objective 2: Reducing infant and child mortality						
2	Percentage of children age 12 months or less who have received their third dose of DPT (DHS/RHS)	Male	Female	Total		
3	Percentage of children age 6-59 months who had a case of diarrhea in the last two weeks and received ORT (DHS/RHS)	Male	Female	Total		
4	Percentage of children age 6-59 months receiving a vitamin A supplement during the last six months (DHS/RHS)	Male	Female	Total		
5	Were there any confirmed cases of wild-strain polio transmission in your country?					
Global Health Objective 3: Reducing deaths and adverse health outcomes to women as a result of pregnancy and childbirth						
6	Percentage of births attended by medically-trained personnel (DHS/RHS)					
Global Health Objective 5: Reducing the threat of infectious diseases of major public health importance						
7	a. Number of insecticide impregnated bed-nets sold (Malaria) (2001 actual) b. Number of insecticide impregnated bed-nets sold (Malaria) (2002 target)					
8	Proportion of districts implementing the DOTS Tuberculosis strategy					

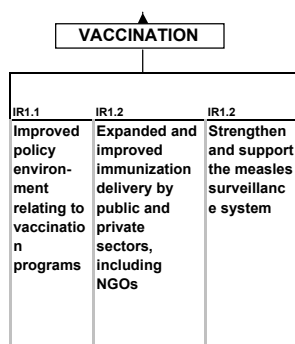
HIV/AIDS Report

Global Health Objective 4: Reducing the HIV transmission rate and the impact of HIV/AIDS pandemic in developing countries

<p>a. Total condom sales (2001 actual)</p> <p>9</p> <p>b. Total condom sales (2002 target)</p>					
<p>a. Number of individuals treated in STI programs (2001 actual)</p> <p>10</p> <p>b. Number of individuals treated in STI programs (2002 target)</p>	Male	Female	Total		
<p>11 Is your operating unit supporting an MTCT program?</p>					
<p>a. Number of individuals reached by community and home based care programs (2001 actual)</p> <p>12</p> <p>b. Number of individuals reached by community and home based care programs (2002 target)</p>	Male	Female	Total		
<p>a. Number of orphans and vulnerable children reached (2001 actual)</p> <p>13</p> <p>b. Number of orphans and vulnerable children reached (2002 target)</p>	Male	Female	Total		
<p>a. Number of individuals reached by antiretroviral (ARV) treatment programs (2001 actual)</p> <p>14</p> <p>b. Number of individuals reached by antiretroviral (ARV) treatment programs (2002 target)</p>	Male	Female	Total		

Victims of Torture Report						
Democracy, Conflict, and Humanitarian Assistance Objective 7: Providing support to victims of torture						
15	Did you provide support to torture survivors this year, even as part of a larger effort?					
16	Number of beneficiaries (adults age 15 and over)	Male	Female	Total		
17	Number of beneficiaries (children under age 15)	Male	Female	Total		

Global Climate Change			
USAID Objective 5: World's environment protected			
18	Global Climate Change: See GCC Appendix		



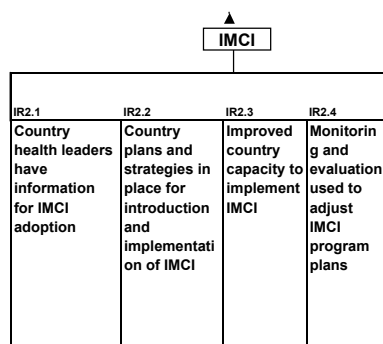
Time Frame: 1996-2002
Partners: PAHO

Vaccination Critical Assumptions:

-Host countries continue to honor their commitment to the implementation of the various resolutions of the Pan American Health Organization, as well as those of the World's Children Summit and the Summit of the Americas to reduce measles cases and deaths and to maintain high immunization coverage.

-All partners collaborate in the implementation of their health programs, particularly those related to child survival and development.

-Partners continue to participate in the Inter-Agency Coordinating Committees, both regionally and at the country level, to provide technical and financial support to activities related to national immunization programs and to



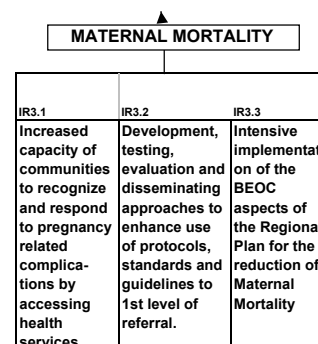
Time Frame: 1997-2002
Partners: PAHO and Partnership for Child Health Care, Inc

Integrated Management of Childhood Illnesses**Illnesses Critical Assumptions**

-Decentralization: that the process of decentralization is strengthened and/or continues.

-Integrated Service Delivery: that integrated services is the preferred service delivery model as opposed to vertical programs. Political commitment and resources (human and financial) will gradually be shifted from vertical programs towards providing service delivery through an integrated care model.

-Sustainability: that if IMCI is to be an effective approach for treating the sick child and counseling caretakers, the quality of care needs to be improved and sustained.



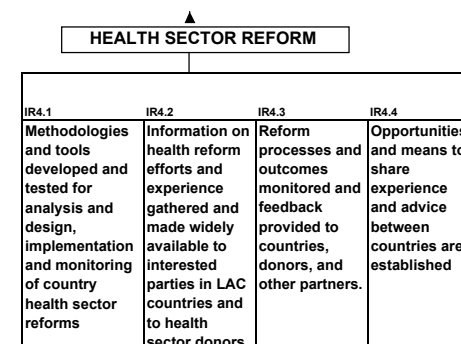
Time Frame: 1997-2002
Partners: PAHO and Univ. Res. Corp.

Maternal Mortality Critical Assumptions:

- Political commitment continues for support of goals to reduce maternal mortality made by countries when approving the Regional Plan for the Reduction of Maternal Mortality, and the declarations from the World Summit for Children, the International Conference on Population and Development and the Summit of the Americas.

-Use of modern contraception is maintained or increased in target countries.

-Access to prenatal and clean delivery care in target countries is maintained or increased.



Time Frame: 1997-2002
Partners: PAHO, Abt Associates and Mgt Svcs. For Health

Health Sector Reform Critical Assumptions:

-Government and non-government health providers, professional societies, university faculty willing to participate together in reform efforts.

-In-country interested parties can mobilize political will to re-direct resources (time, personnel, and money) to reforms that increase equitable access to basic health services.

-Donors continue to fund capital costs for country health reform design and implementation including technical assistance, studies, and systems design/implementation.

RESULTS FRAMEWORK: LAC/RSD HEALTH PRIORITIES OBJECTIVE

Agency Goal

Stabilizing World Population and Protecting Human Health

Strategic Objective

LAC/RSD 598-003: More effective delivery of selected health services and policy interventions

Initiatives

Intermediate Results

ANTIMICROBIAL RESISTANCE

IR 5.1	IR 5.2
Improved surveillance capacity in target countries to determine the magnitude and impact of antimicrobial resistance (AMR)	Improved capacity in target countries to implement approaches to address AMR

Time Frame: 1998-2002

Partners: PAHO, Management Sciences for Health

ID Critical Assumptions:

-Decentralization will strengthen the efficiency and effectiveness of surveillance systems for resistance to antibiotics and will increase the participation and responsiveness at all levels of the health care system.

-Ministries of Health have systems in place, or are willing to create these systems, to monitor and enforce adherence to antibiotic prescription regulations.

FAMILY PLANNING

IR 6.1	IR 6.2	IR 6.3
Maximizing access and quality exchange Mini-university conducted	Post-abortion care regional workshops conducted	Regional activities to support expanding emergency contraception held

Time Frame: 2001-2002

Partners: Population Council, Family Health International, Univ. Res. Corp

Family Planning Critical Assumptions

-That decision makers, with some technical assistance and increased knowledge, can and will increase their political and resource commitments to address planning needs in their countries

-That there are sufficient NGOs/MOH's or interested groups ready and willing to increase quality and access and to work in the areas of post-abortion care and emergency contraception despite some opposition by conservative groups

-That social, economic and political unrest does not severely disrupt program activities.

HIV/AIDS

IR 7.1	IR 7.2	IR 7.3	IR 7.4
Existing information disseminated	Regional exchanges between HIV/AIDS policy makers and program managers facilitated	Regional technical assistance in HIV/AIDS (South-South and North-South) enabled	Regional guidelines and tools available for validation

Time Frame: 2001-2002

Partners: TVT

HIV/AIDS Critical Assumptions

-That national governments will increase their political and resource commitment to address HIV/AIDS in their countries

-That there are sufficient NGOs/CBOs or interested groups ready and willing to work in the area of HIV/AIDS regardless of the stigma attached to the infection, e.g., homophobia and associated violence.

-That regional, social and political unrest does not severely disrupt program activities

AMAZON MALARIA

IR 8.1	IR 8.2	IR 8.3
Reliable and standardized malaria drug efficacy information available	Tools and approaches developed, adapted, tested and/or disseminated	Partnerships to improve malaria control in the sub-region enhanced

Time Frame: 2001-2002

Partners: PAHO, IOM and CDC

Amazon Malaria Critical Assumptions

-That national governments will maintain or increase their political and resource commitment to malaria control in their countries; and

-That regional, social, economic and political unrest, and geographic/climatic constraints such as flooding does not severely disrupt program activities.

598-006: A Broad Base of Leaders and Potential Leaders in LAC Countries Equipped with Technical Skills, Training and Academic Education

Intermediate Results (IRs)

IR 1: Returned Students Employed in Area of Expertise and Applying Skills and Leadership

IR 2: Returned Trainees Active and Influential in Community Professions

IR 3: Returnees Find New Jobs or Increased Responsibility/Earning in Old Job

IR 4 Returnees Maintain U.S. Ties

U.S.-LAC ENVIRONMENTAL PARTNERSHIP

Strategic Objective 598-018: Environmental Performance of Targeted LAC Businesses and Communities Improved through the Promotion of Replicable Market-Based Models*

SO Indicators:

Indicator : Replicable models of improved environmental management developed and their adoption promoted.

Critical Assumptions for Program Success :

- U.S. and LAC governments maintain their commitment to meeting Summit of the Americas' identified environmental challenges
- LAC governments maintain their commitment to policy reform

Intermediate Result 1:

Policy Frameworks Developed

IR 1.1 Key policy constraints identified and solutions developed.

IR 1.2 Use of economic incentives, certification and other market-based instruments promoted.

IR 1.3 Partnerships between LAC industry, government and NGOs formed for policy reform and compliance

Intermediate Result 2:

Technologies and Practices Available

IR 2.1 Clean technologies and sound environmental practices introduced and disseminated.

IR 2.2 Environmental management systems and certification/labeling programs introduced and promoted.

IR 2.3 Partnerships between U.S. and LAC industry, and USAID and other donors formed for the transfer of technologies and practices.

Intermediate Result 3:

Financing Mechanisms Available

IR 3.1 Constraints to capital access for environmentally-sound investment identified and solutions developed.

IR 3.2 Use of innovative financing tools (e.g., CDM, DCA) introduced and promoted.

IR 3.3 Partnerships between USAID and other donors, U.S. and LAC industry, and private banks and industry formed to mobilize environmentally-sound investment.

* **Environmental performance of targeted LAC businesses and communities** will be improved and their sustainability enhanced through support for (a) advancing key trade/environment issues in conjunction with the Free Trade Area of the Americas process, (b) sustainable forestry, (c) industrial clean production, and (d) sound water resources management. In improving environmental conditions, emphasis will be placed on **market-based approaches** (e.g., economic incentives, environmental certification programs, effluent or user fees, and tradable permits for pollutant discharge or resource use) and the **engagement of the US private sector** as development partners.

Annual Report Part VII: Environment Compliance

The LAC Regional Strategic Objective 598-003, More Effective Delivery of Selected Health Services and Policy Interventions, will also require an amended initial environmental examination in the fourth quarter of FY 2002 due to a planned two-year extension of the Strategic Objective.

The LAC Regional Special Objective 598-019, Continued Participation of LAC Sub-Regional Trading Blocs in the FTAA Process Achieved, will require an amended initial environmental examination in the second quarter of FY 2002 due to a planned two-year extension of the Special Objective.

In addition, LAC/RSD is considering combining most of the activities that will remain under management of the LAC Bureau into one SO. The combined SO (name and number to be determined) will require an initial environmental examination. This will probably be done during the third or fourth quarter of FY 2003.

Further, a new coffee development proposal/strategy, currently under development by LAC/RSD, will require an initial environmental examination upon approval. This is expected to be prepared the fourth quarter of FY 2002 by the G-CAP, which will be implementing the program.

All other LAC Regional strategic objectives and related activities are in compliance with their approved Initial Environmental Examinations, Categorical Exclusions and any Environmental Assessments.